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S U B M I S S I O N

to

The Honourable Mr. Justice George A. McGillivray,
a Commissioner appointed to make recommendations
concerning the Workmen's Compensation Act

by the

ONTARIO FOREST INDUSTRIES ASSOCIATION

August 16, 1966

This Brief is presented by the Ontario Forest Industries Association, a province-wide association of companies involved in the production of forest products, used in the manufacture of pulp and paper, lumber, veneer and plywood. The Ontario Forest Industries Association is the only trade association specifically concerned with the problem of forest operations. There are 35,000 employees engaged in the logging industry and the annual payroll is approximately $98 million.

In most manufacturing industries, employees work in a controlled environment. In the logging industry the environment is uncontrolled. Employees in this industry, located principally in Northern Ontario, face greater hazards as the work is largely out of doors on uneven terrain and the workman is subject to the extremes of the Northern climate.

The first recipient of benefits under the Workmen's Compensation Act was an employee of a logging company. The industry, since that time, has followed the development of compensation legislation with marked interest and the Association respectfully offers the following comments and recommendations for the consideration of the Commission.

Administration of the Act

With regard to the existing Act, this Association accepts and endorses the principles concerned with employee protection contained therein. Therefore, we urge that, in this era of social awareness, this Act continue to be administered in the manner originally intended. It provides a means of compensation for industrial injuries and must in no instance be considered or used as social legislation.

We believe that the Workmen's Compensation Board of Ontario was established for the sole purpose of administering funds provided by employers in the cause of employee compensation and accident prevention. We sincerely believe that in the prevention of accidents no agency can be as effective as an employer or group of employers whose prime concern is the conduct of efficient operations with safety as an integral part.

Accident Prevention

The members of this Association, fully cognizant of the role of safety in an efficient operation, provide and actively support programmes of accident prevention covering all aspects of production. All companies are assisted in programme planning and safety instruction by the Forest Products Accident Prevention Association and the Ontario Pulp and Paper Makers' Safety Association.

The Ontario Forest Industries Association maintains an active liaison with the representatives of the above-mentioned organizations in the cause of woods safety.

It is noted that Mr. Justice Roach, under the discussion of accident prevention, recognized the work of safety associations and recommended "a much closer relationship" between these organizations and the Board. The Ontario Forest Industries Association believes that the accident prevention associations sponsored and supported by this industry have been particularly effective, due in large measure to the efforts of top level management of member Companies. We recommend that the relationship referred to by

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Mr. Justice Roach be maintained on the lines of beneficial co-operation and that every effort be made to retain the contribution of senior management - a contribution that is, in all cases, completely voluntary and requiring no remuneration from the accident prevention associations. In our opinion it would be detrimental to the cause of accident and injury prevention to discourage in any way the participalation of this experienced group. The active interest of senior executives provides an excellent stimulus to the safety consciousness and effort at all levels.

The Right of Appeal

The economy of the Province depends upon increasing industrial activity, encouraged by closer co-operation between Government and Industry. In this atmosphere, the lack of the right of appeal on policy decisions of the Board warrants consideration. It is recommended that the Commission consider the addition of a clause to the Workmen's Compensation Act that would provide for the right of appeal with rules for arbitration.

Composition of the Workmen's Compensation Board

The Association is in agreement with the sentiments expressed by Mr. Justice Roach on the qualifications for the office of Board Member. At the time of his report, his recommendation regarding the number of Board Members was acceptable. In the intervening period the volume of business has shown a remarkable increase. The Association recommends that the number of Board Members be increased to four by the addition of

an employer representative. A man qualified for the office and experienced in industry would, in our opinion, be an asset in the expanding operations of the Board.

Pensions

The present practice of charging the full capital cost of a pension as a lump sum can, particularly in the case of a small employer, result in eliminating any chance for a favourable merit rating, and could subject the employer to penalties under Section 86 (6a). This tends to discourage accident prevention. It is extemely important that small operators be given every incentive to improve their accident frequency rate, and we recommend that a study be made to determine whether there is a more equitable method of allotting these charges.

Scale of Compensation

This Association believes the Act, in its intent, to be as fair as possible to both the employer and employee with perhaps a tendency towards over-protection of the latter as described by Mr. Justice Roach in his discussion of Scales of Compensation. He emphasized that total disability payments continue as long as the disability lasts. These payments are not affected detrimentally by the many situations and conditions that affect the earning power of the workman who is uninjured.

The last revision of the Scale of Compensation increased the scale to $6,000.00 and 75% of earnings. Compensation payments are not taxable and an employee may draw, under certain circumstances, the equivalent of

his full earnings after income tax deduction. Any increase in the present scale could result in an increase in claims for compensation. We consider it undesirable and against the best interest of the public to provide any inducement that will in any way prolong the period of inactivity beyond the proper limits. It has been charged that this already has happened in the case of the Federal Government-administered unemployment insurance programme. Ontario today, and we hope in the future, will require the full productive capacity of its available workmen. It is, therefore, our opinion that the present scale is adequate and fulfills the objectives of the Act.

Waiting Period

The waiting period for benefits was recently reduced to the present 3 days. It is the Association's opinion that this waiting period should not be reduced further. Experience has shown that the costs of indemnity insurance for sickness and accident rise sharply when waiting periods are shortened.

Publicity

It is the opinion of the Association that publicity regarding the Workmen's Compensation Board of Ontario has developed a satisfactory public image. We do not believe that publicity up to this time has properly recognized and portrayed the contributions of the logging industry in the field of employee protection and accident prevention. We recommend that with success depending so completely upon co-operation, publicity be

extended to cover both parties, that is, the Workmen's Compensation Board and the Industry.

Reporting Injuries

There has been a growing tendency on the part of employees to report injuries to the Board either directly or through their doctor without notifying their employer. This procedure delays the employers' report to the Board, and consequently the payment of compensation benefits to the injured workman. The Association, therefore, recommends that the Act be amended to more clearly define the responsibilities of the workman in promptly notifying his employer of an accident.

In Conclusion

The objectives of the logging industry, as represented by the Association, are employee protection with high productivity. We sincerely trust that the recommendations and suggestions contained in this submission will be accepted in the constructive spirit in which they are offered and that they will be helpful to the deliberations of your Commission.

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